****

 **Computation of Surplus Cash and Distributions**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *PROPERTY NAME:* |  | *FISCAL PERIOD ENDING:* |  | *DSHA/HDF NUMBER:* |  |

**Use the “Tab” key to navigate form fields. Do not use the “enter” key.**

|  |  |
| --- | --- |
|  | **PART A. – COMPUTE SURPLUS CASH** |
|  | **Section I - Cash** |
| 1. | Cash | $0 |
| 2. | Tenant Subsidy Vouchers due for Period Covered by Financial Statements | $0 |
| 3. | Other (Describe) | $0 |
| **A** | **Part A. Section I. Total (Cash)****(Lines 1-3)** | $ 0 |
|  |  |  |
|  | **Section II- Current Obligations** |
| 4. | Accrued Mortgage Interest Payables | $0 |
| 5. | Delinquent Mortgage Principal Payments | $0 |
| 6. | Delinquent Deposits to Reserve for Replacements | $0 |
| 7. | Account2 Payables (due within 30 days) | $0 |
| 8. | Loans and Notes Payables (due within 30 days) | $0 |
| 9. | Deficient Tax Insurance/Mortgage Insurance Escrow | $0 |
| 10. | Accrued Expenses (not escrowed) | $0 |
| 11. | Prepaid Rents | $0 |
| 12. | Tenant Security Deposits Liability | $0 |
| 13. | Other (Describe) | $0 |
| **B** | **Part A. Section II. Total (Current Obligations/Liabilities) (Lines 4-13)** | $ 0 |
| **C** | **Surplus Cash (Deficiency)** |  |
|  | ***Line A Minus Line B*** | *$0* |
|  |  |  |
|  | **PART B. – COMPUTE OWNERS DISTRIBUTIONS & REQUIRED HDF LOAN BALANCE REDUCTION** |  |
| 1. | Surplus Cash | $0 |
| 2. | a. Beginning Balance: Accrued Distributions from Prior Year(s) Unpaid | $0 |
|  | Annual Distribution Earned During Fiscal Period Covered | $0 |
|  | Annual Distribution Paid During Audit Year Against Audit Year | $0 |
|  | Annual Distribution Paid During Audit Year Against Prior Year(s) | $0 |
|  | b. Ending Balance: Distributions Unpaid from Audit and Prior Year(s) at Audit Year End (Amount Carried on Balance Sheet) | $0 |
|  |  |  |
| 3. | Amount available for distribution (lesser of Line 1. or 2b.) | $0 |
|  |  |  |
| 4. | Amount due DSHA to be applied to DSHA Permanent Loan or deposited in to residual receipts (Line 1. Minus 3.) | $0 |
| *Prepared by:* |   | *Reviewed by::*  |  |
| *Date:*  |  | *Date:*  |  |

**Instructions for**

**Computation of Surplus Cash and Distributions**

**PART A - COMPUTE SURPLUS CASH**

Line 1. Cash - Do not include escrow deposits or DSHA required reserves. Include petty cash, cash in bank, tenant security deposits, and other deposits (i.e., pet deposits).

Line 2. Tenant Subsidy Vouchers - Section 8 Certificate/Voucher subsidies earned but not yet received from the local Public Housing Authority during the period covered by this financial statement.

Line 3. Other - Include amounts related to replacement reserve draws for which have: (1) been paid from project funds; (2) approved by DSHA prior to the end of the fiscal year, but which reimbursement has not been received from the mortgagee.

Line 4. Accrued Mortgage Interest Payables - For projects current under the mortgage, include the interest payment due the first of the next month. Remember interest is paid in arrears; interest for the month of December is payable January 1. For projects in default under the mortgage, include delinquent interest payments.

Line 5. Delinquent Mortgage Principal Payments - Include principal delinquent under the mortgage. This should be the difference between the unpaid balance shown on the amortization schedule and mortgage payable on the balance sheet.

Line 6. Delinquent Deposits to Replacement Reserves - Include any delinquent deposits to the reserve for replacement account.

Line 7. Accounts Payable - All payables due within 30 days, excluding payables related to replacement reserve draws which were: approved by DSHA prior to the end of the fiscal year, but which have not yet been released by DSHA and deposited in the project account.

Line 8. Loans and Notes Payable - Include loans or notes due within 30 days. Short term notes from any subsidiary or parent company, must have documented legally binding notes ***and must be actually due.***

Line 9. Deficient Insurance Tax Escrow or Mortgage Insurance Escrow - Include any deficiency reported in the mortgage escrow deposits.

Line 10. Accrued Expenses (not escrowed) - Expenses that have been accrued but not paid. (i.e., wages, payroll taxes).

Line 11. Prepaid Rents - Rents received from tenants (including commercial tenants) that apply to future accounting periods.

Line 12. Tenant Security Deposits Liability - This account records the off-setting liability resulting from transactions recorded in tenant security deposits held in trust.

Line 13. Other Obligations due but not paid (can be accrued).

***(Instructions for Computation of Surplus Cash and Distributions, Page 2)***

**PART B - COMPUTE DISTRIBUTIONS TO OWNERS & REQUIRED HDF LOAN BALANCE REDUCTION**

Line 1. Surplus Cash from Part A. If the amount on line (C) is zero or negative, enter zero. If the amount was positive, enter that amount here.

Line 2.a. Beginning Balance: Accrued Distribution from Prior Year(s) Unpaid - Enter beginning balance, if any, the accrued distribution from prior year(s) unpaid. It is essential that auditor references all partnership agreements, loan agreements, council resolutions for distribution amounts prior to completing this line item. Note, some partnership agreements do not allow for accrued distributions. Reference prior year ending balance, as adjusted by DSHA if applicable.

 Annual Distribution Earned During Audit Year - Enter zero if mortgagor agreed to waive distributions for audit year or enter amount determined in regulatory, partnership or loan documents.

 Annual Distribution Paid During Audit Year Against Audit Year - Enter the total amount of distribution paid during the audit year against amount of distribution earned during audit year.

 Annual Distribution Paid During Audit Year Against Prior Year(s) – Enter total amount of distribution paid during the audit year against accrued distributions from prior year(s).

NOTE: For LIHTC allocations made from 2017 forward, maximum accumulated distributions cannot exceed five (5) years.

Line 2. b. Ending Balance: Distributions Unpaid from Audit Year and Prior Year(s) at Audit Year End – Total amount of distributions earned but unpaid during audit and prior year(s).

Line 3. For non-profits enter zero. For limited partner projects, enter the lesser of Line 1 or Line 2b.

Line 4. If there is any excess (Line 1 minus Line 3), this amount should be paid to DSHA as per the regulatory agreement to reduce the accrued interest and/or principal amount of the HDF loan or if non-profit or HUD Assisted property applied to residual receipts and/or the operating reserve escrow accounts***.***